

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

BACKWARD CLASSES WELFARE DEPARTMENT – Andhra Pradesh Backward Classes Co-operative Finance Corporation Ltd., Hyderabad – Margin Money Scheme – Revised Guidelines – ISSUED.

BACKWARD CLASSES WELFARE (B1) DEPARTMENT

G.O.Ms.No. 16 .

Dated the 12th of June, 2008.

Read the following:-

1. G.O.Ms.No.36, Backward Classes Welfare (B1) Department, dated 14.12.2000.
2. Minutes of the review meeting held by the Hon'ble Chief Minister on 12.03.2008.
3. From the Vice Chairman & Managing Director, A.P. Backward Classes Co.op. Finance Corporation Ltd., Hyderabad, Lr.No.54/C/2008, dt.6.5.2008.

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ORDER:

In the reference first read above, Government have issued orders, reformulating the Economic Support Schemes

2. In the meeting held on 12.3.2008 by the Hon'ble Chief Minister, it has been decided that from financial year 2008-09, the Corporation shall not implement any schemes of financial assistance with loan component. All the schemes shall have only subsidy component from the Corporations with bank credited Linkage. The benefit of "Pavala Vaddi" Scheme as applicable to Women Self Help Groups shall be extended to the beneficiaries of the B.C.Corporation.

3. The Vice Chairman & Managing Director, Andhra Pradesh Backward Classes Co-operative Finance Corporation Limited, Hyderabad, vide reference third read above has submitted proposals accordingly, for restructuring the funding pattern of the Margin Money Scheme, being implemented by the B.C.Corporation.

4. Government, after careful examination and in partial modification to the G.O. first read above, hereby approve the restructuring the funding pattern of the Margin Money Scheme being implemented by the B.C. Corporation from the year 2008-09 onwards as detailed below :

- 1) Subsidy of 50% unit cost not exceeding Rs.30,000 per beneficiary.
- 2) 10% of the unit cost as beneficiary contribution.
- 3) 40% unit cost as Bank Loan.

5. The Revised guidelines for implementation of Margin Money Scheme from the year 2008-09 are appended to this order.

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6. The Vice Chairman & Managing Director, Andhra Pradesh Backward Classes Co-operative Finance Corporation Limited, Hyderabad, shall take necessary action, accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

T. SATYANARAYANA RAO
SECRETARY TO GOVERNMENT.

To
The Vice Chairman & Managing Director, Andhra Pradesh Backward Classes
Co-operative Finance Corporation Limited, Hyderabad.
The Director, B.C.Welfare, A.P., Hyderabad.

Copy to:

The Finance (Expr.SW) Deptt.
The SF/SCs.

// FORWARDED :: BY ORDER //

SECTION OFFICER

GUIDELINES FOR IMPLEMENTATION OF MARGIN MONEY SCHEME

- 1) People belonging to notified B.C. communities either individuals or groups whose annual income from all sources is below Rs.50,000/- are eligible for financial assistance under the scheme.
- 2) The applicants should produce Caste, Income and Nativity Certificates at the time of the selection itself.
- 3) Employees and Students are not eligible for the financial assistance under the scheme.
- 4) Activities under Agriculture, Industries, Small Business Service, Transport Sectors etc., will be provided with this financial assistance.
- 5) The scheme will be implemented through mix of group activity as well as individual activity in the ratio of 50:50.
- 6) The financial assistance from the A.P.Backward Classes Cooperative Finance Corporation Ltd., by way of subsidy would be linked to the credit component of commercial Banks.
- 7) The revised pattern of assistance for Margin Money will be 50% of the unit cost not exceeding Rs.30,000/- as Subsidy, 10% Beneficiary Contribution and 40% Bank Loan.
- 8) In cases where the unit cost exceeds Rs.60,000/-, the excess portion shall come as Bank finance because in no case subsidy from corporation exceeds Rs.30,000/-.
- 9) The Executive Directors must explain this position to the bankers and the beneficiaries in the beneficiary identification camps, so that bankers given consent to sanction required amount of bank loan portion.
- 10) The identification of the beneficiaries will be done at mandal-level by the team of Officers with Mandal Parishad Development Officer as leader and MCRDO, Banker and any genuine NGO if available as members using the method of counseling.
- 11) For identification of individual beneficiaries, the counseling for selection will be conducted in the main village of service area branch at the rate of not less than one Grama Sabha per Bank. A resolution to this effect will be passed in the DCC meeting and the schedule of identification will be given wide publicity by way of beat of "Tom Tom", press release and circular to Gram Panchayats and Mandal Praja Parishads.
- 12) A committee is constituted at the District Level to scrutinize the selections made at Mandal level and finalize the list of selected beneficiaries. The Committee consisting of the District Collector as Chairman will have the following officers as members:

1.Project Director,
DRDA

2.Project Director,
WW & CD

3.Executive Director,
B.C.Society

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- 13) Bank loan will be given at the existing priority sector lending interest rates and will be recovered over a period of 3 years without any moratorium. However, the B.C. Corporation shall extend "Pavala Vaddi" as applicable to Women Self Help Groups to the B.C. beneficiaries under the scheme.
- 14) The District Collector & Chairman will be responsible for the implementation of the scheme at the District-level.
- 15) The V.C & Managing Director, Andhra Pradesh Backward Classes Cooperative Finance Corporation Ltd., Hyderabad and Convenor, State Level Bankers' Committee will monitor the scheme at the State-level.
- 16) Any other operational guidelines for implementation of the scheme shall be issued by the V.C. & Managing Director, A.P. Backward Classes Cooperative Finance Corporation Ltd., Hyderabad.

T. SATYANARAYANA RAO
SECRETARY TO GOVERNMENT.
